

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-02 INR-10
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TO SECSTATE WASHDC 3306
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY LONDON
AMEMBASSY PARIS
USCINCEUR VAIHINGEN GERMANY
USDOCOSOUTH
AMCONSUL FLORENCE
AMCONSUL GENOA
AMCONSUL MILAN
AMCONSUL NAPLES
AMCONSUL PALERMO

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USEEC

USOECN ALSO FOR EMBASSY

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TAGS: ELAB, PINT, IT
SUBJ: NEW LAMA INTERVIEW AROUSES HOPES AND CRITICISM

REF : ROME 6701, 3075 AND 1753

1. SUMMARY. IN A MAY 28 NEWSPAPER INTERVIEW, CGIL SEC GEN
LAMA EXPANDED ON HIS EARLIER CONTROVERSIAL INTERVIEWS (RE-
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FTELS) AND ADDED A FEW NEW TWISTS. IN ADDITION TO REITERATING
HIS CALLS FOR MODERATION IN WAGE DEMANDS AND FLEXIBILITY IN
LABOR MOBILITY, LAMA URGED UNION SELF-REGULATION OR SELF-
LIMITATION OF THE RIGHT TO STRIKE, INCREASING THE RETIREMENT
AGE 5 YEARS, LIMITING THE MAXIMUM AMOUNT OF SEVERANCE PAY TO
TEN MONTHS PAY (COVERING THE FIRST TEN YEARS OF WORK),
PROVIDING OR INCREASING SKILL DIFFERENTIALS OR INCENTIVES,

AND LIMITING THE NUMBER AND ZAMOUNT OF SENIOIRITY STEP INCREASES, MAKING THEM UNIFORM FROM SECTOR TO SECTOR. HE OPPOSED WORK HOUR REDUCTION (A CISL NOSTRUM), SAYING IT WOULD INCREASE COSTS DISPROPORTIONATELY WITHOUT INCREASING EMPLOYMENT. LAMA WAS CRITICIZED WITHIN LABOR CIRCLES, ESPECIALLY BY CISL LEADERS, FOR SELLING OUT WORKER INTERESTS IN FAVOR OF PCI POLITICAL INTERESTS, AND BY SOME BUSINESS SPOKESMEN, INCLUDING CONFINDUSTRIA CHIEF CARLI, WHO ACCUSED LAMA OF ATTEMPTING TO INCREASE UNION POWER UNWARRANTEDLY AND NOT ADDRESSING THE REAL PROBLEMS. OTHERWISE, REACTION BY POLITICIANS, ECONOMISTS AND COMMENTATORS WAS OVERWHELMINGLY POSITIVE, AS LAMA ONCE AGAIN PUT HIMSELF OUT IN FRONT OF HIS FOLLOWERS BY URGING THEM TO SHOW RESPONSIBILITY, PUBLIC SPIRIT AND WILLINGNESS TO SACRIFICE SHORT RUN GAIN FOR THE INTERESTS OF THE NATION AND OF THEIR OWN CHILDREN.

END SUMMARY.

2. YES, SAID LAMA, "IT IS TRUE (THAT THE LAST TWO BUSINESS CYCLES HAVE SHOWN THAT THE GREAT UNION VICTORIES OF THE FIFTY-YEAR-OLD FATHER TRANSLATE INTO INCREASING DIFFICULTIES FOR THEIR CHILDREN TO FIND WORK), AND THE UNION INTENDS TO CHANGE DIRECTION, TO RECTIFY WHERE ERRORS HAVE BEEN COMMITTED. AN ECONOMIC RECOVERY IS UNDERWAY-- NOT BIG, BUT NOT TOO SMALL, EITHER--AND WE MUST EXPLOIT IT, AVOIDING THE USUAL CHAIN OF WAGE INCREASES FOR THE EMPLOYED, TRANSLATED INTO INCREASED CONSUMPTION AND PRICES, WITH A RETURN TO INFLATION LIKE

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IN 1976 AND THE CONSEQUENT NEED FOR A NEW TIGHTENING WITH LESS JOBS. THAT WOULD BE THE 50-YEAR-OLDS' VICTORY AND I DO NOT WANT TO WIN AGAINST MY DAUGHTERS*"

3. ANSWERING CISL OPPOSITION TO CENTRALIZING COLLECTIVE BARGAINING, LAMA SAID, "AT THE EUR (A ROME SUBURB) ASSEMBLY WE MADE CLEAR DECISIONS. THE QUESTION NOW IS: CAN WE PUT THEM INTO PRACTICE? AT THE JUNE 20-21 (CCU) EXECUTIVE COMMITTEE MEETING WE WILL AGREE ON THE DEGREE OF FIRMESS, I WOULD SAY OF OBLIGATORINESS, THOSE UNITARY DECISIONS SHOULD HAVE. THE UNION MOVEMENT SHOULD HAVE ORGANS AUTHORIZED TO DECIDE. IF THE WORKERS HAVE ELECTED THESE ORGANS, THE WORKERS SHOULD RESPECT THEIR DIRECTIVES. THE CHECK (OR CONTROL) IS ALWAYS THERE: THE UNION MAKES A CONTRACT AND THE ASSEMBLIES APPROVE OR REJECT IT."

4. LAMA PROPOSED LIMITING SENIORITY STEP INCREASES TO FOUR OR FIVE FOR ALL WORKERS OR EMPLOYEES, AND TO LIMIT SEVERANCE PAY (LIQUIDATION BONUS) TO 10 MONTHS (FOR 10 OR MORE YEARS' SERVICE), WITH CEILING OF 20 MILLION LIRE (ABOUT DOLS 23,000). WE HAVE GONE TOO FAR IN EGALITARIANISM WITH CONSEQUENT COMPRESSION OF WAGES. THE RESULT IS THAT THE WORKER HAS

LOST A REAL INCENTIVE TO DO BETTER, TO QUALIFY HIMSELF, TO STUDY, TO LEARN. "LAMA URGED THE RESTORATION OF MATERIAL INCENTIVES FOR SKILLS AND TRAINING. EGALITARIANISM COULD NOW BETTER BE APPLIED, HE SUGGESTED, "TO REDUCE THE DIFFERENCES EXISTING BETWEEN SECTOR AND SECTOR, TO AVOID HAVING SECTORS WHERE NO ONE WANTS TO GO AND OTHERS WHICH ARE OVERCROWDED."

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5. "WE WON'T RENOUNCE WAGE GAINS, BUT WILL CONTENT OURSELVES WITH MODERATE AND STAGED INCREASES, "LAMA SAID, REFERRING TO THE CIVIL AVIATION CONTRACT FOR A SIX THOUSAND LIRE MONTHLY RAISE EACH OF THE NEXT THREE YEARS AND PREDICTING OTHER SIMILAR SETTLEMENTS, NOT EQUAL FOR ALL, BUT VARYING SECTOR-BY-SECTOR, TAKING THE ECONOMIC SITUATION INTO ACCOUNT.

6. AS FOR EC AND CISL WORK-HOUR-REDUCTION PROPOSALS, LAMA
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SAID "REDUCING THE WORK WEEK IN ITALY WOULD NOT BRING INCREASED EMPLOYMENT, BECAUSE OUR PLANTS ARE (ONLY) 65-75 PERCENT UTILIZED. THE QUESTION IS DIFFERENT FOR GERMANY. THERE PLANT CAPACITY IS 93-94 PERCENT UTILIZED AND ONE WORKS ON THE AVERAGE 44 HOURS A WEEK. BETWEEN AN ITALIAN AND A GERMAN WORKER THE DIFFERENCE IS ABOUT 400 HOURS A YEAR. OUR LEVELS ARE AMONG THE LOWEST, IF NOT THE LOWEST. ASIDE FROM THE FACT WE WOULD ACCEPT THE REDUCTION OF THE HOURS, BUT NOT OF THE WAGES, 2 WORKERS AT 20 HOURS WOULD COST MORE THAN ONE AT 40 BECAUSE THERE ARE FIXED COST WHICH ARE NOT HALVED BY HALVING THE WORK HOURS."

7. LAMA ALSO SPOKE OUT FOR RAISING THE PENSION AGE TO 65, TO ELIMINATE PSYCHOLOGICAL DISCRIMINATION AGAINST OLDER WORKERS AS WELL AS TO IMPROVE PENSION FUND FINANCES.'

8. LAMA EXPRESSED LABOR'S WILLINGNESS TO MAKE SACRIFICES IN THE LABOR MOBILITY AREA TO INCREASE EMPLOYMENT, BUT DEMANDED LABOR PARTICIPATION IN LABOR MARKET MANAGEMENT. "LET A FACTORY BE CLOSED IF IT CANNOT BE REVIVED ECONOMICALLY, BUT SEE TO IT THAT THE WORKERS CAN MOVE TO ANOTHER FACTORY." ON THE OTHER HAND, WORKERS WHO REFUSE TO LEAVE A CLOSING FACTORY TO MOVE TO NEW JOBS SHOULD NO LONGER BE CONSIDERED ELIGIBLE FOR UNEMPLOYMENT BENEFITS. LAMA ALSO REITERATED THAT LABOR WANTS TO PARTICIPATE IN DETERMINING NATIONAL AND ENTERPRISE INVESTMENT POLICY TO GUARANTEE "NON-ASTHMATIC" ECONOMIC DEVELOPMENT. NEITHER SPONTANEOUS PRIVATE INITIATIVE NOR COERCIVE FORCED PLANNING, BUT A PLANNED DIRECTION AND WELL THOUGHT-PUT INVESTMENTS, NOT SALVAGE OPERATIONS, ARE NEEDED. "THE NEW MAJORITY HAS TWO CAMPS TO DEMONSTRATE ITS EFFICIENCY: STRUGGLE AGAINST TERRORISM AND ECONOMIC POLICY. HERE THERE ARE DIVERGENCIES BETWEEN THE PARTIES AND I THINK BETWEEN THE VERY MINISTERS, BUT WE CANNOT WASTE MORE TIME. WE
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CANNOT RUIN THE LITTLE RECOVERY TAKING PLACE."

9. ASKED ABOUT ITALY'S LOW LEVEL OF HOURS WORKED AND HIGH LEVEL OF HOURS LOST TO STRIKES, LAMA SAID HE BELIEVED NOT IN LEGISLATIVE IMPOSITION, BUT IN SELF-REGULATION, IN A CODE OF BEHAVIOR FOR GIVING ADEQUATE NOTICE AND SETTING DURATIONS AND LIMITS ON STRIKES IN THE PUBLIC SECTOR. IF THESE CODES

WERE VIOLATED, LAMA COULD EVEN ACCEPT "PRECETTAZIONE" (BACK-TO-WORK ORDERS BY PROVINCIAL GOVERNORS (PREFECTS) NOW OCCASIONALLY RESORTED TO IN PARTICULAR EMERGENCIES)? HE DID NOT FORESEE THIS BEING NECESSARY, HOWEVER. "LET'S TRY," SAID LAMA, "I HAVE FAITH IN THE WORKERS." REMINDED THAT THE UNIONS HAD LONG TALKED, BUT DONE NOTHING, ABOUT SELF-REGULATION OF STRIKES, LAMA SAID, "WE MUST TAKE CONCRETE MEASURES BEFORE SUMMER (ENDS)."HOLMES

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